

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

Page 121, delete lines 41 through 49, begin a new paragraph and insert:

"SECTION 70. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:

Chapter 20. Credit for Property Taxes Paid on Inventory

Sec. 1. As used in this chapter, "assessed value" means the assessed value of inventory determined under IC 6-1.1-3.

Sec. 2. As used in this chapter, "inventory" has the meaning set forth in IC 6-1.1-3-11.

Sec. 3. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2); or
- (2) a partnership.

Sec. 4. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.1 (gross income tax);
- (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- (3) IC 6-3-8 (supplemental net income tax);
- (4) IC 6-5.5 (financial institutions tax); and
- (5) IC 27-1-18-2 (insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 5. As used in this chapter, "taxpayer" means an individual or entity that has state tax liability.

Sec. 6. (a) A taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year for the ad valorem property taxes paid by the taxpayer in the taxable year on inventory.

(b) The amount of the credit is equal to the product of:

(1) the appropriate percentage specified in subsection (c); multiplied by

(2) the amount of property taxes paid on inventory by the taxpayer during the taxable year.

(c) The percentage described in subsection (b)(1) is determined by the calendar year in which the property taxes on inventory are paid and is set forth in the following table:

CALENDAR YEAR IN WHICH INVENTORY TAXES ARE PAID	PERCENTAGE OF INVENTORY TAXES ALLOWED AS A CREDIT
1999	10%
2000	20%
2001	30%
2002	40%
2003	50%
2004	60%
2005	70%
2006	80%
2007	90%
2008 and thereafter	100%

(d) If a taxpayer pays property taxes in two (2) different calendar years during the taxpayer's same taxable year, the taxpayer shall apply the appropriate percentage specified for each calendar year to the property taxes paid in each calendar year to compute the credit for the taxable year.

Sec. 7. (a) If the amount determined under section 6(b) of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

(b) A taxpayer is not entitled to a refund of any unused credit.

Sec. 8. If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

Sec. 9. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of payment of an ad valorem property tax and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 71. [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: IC 6-3.1-20, as added by this act, applies only to taxable years beginning after December 31, 1998."

Page 122, delete lines 1 through 35.

Page 167, line 22, delete "inventory tax credits under IC 6-1.1-20.5 and".

Page 167, line 25, delete "the inventory tax credits under IC 6-1.1-20.5".

Page 167, line 29, delete "IC 6-1.1-20.5 and".

Page 167, line 32, delete "If there are sufficient revenues to pay the".

Page 167, delete lines 33 through 34.

Page 167, line 35, delete "are paid".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 22, 1999.)

